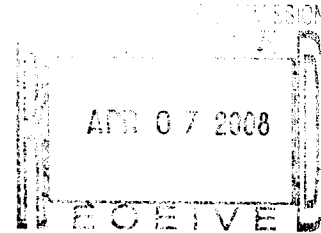




740 Osborn Road • Barnwell, South Carolina 29812

April 4, 2008

Mr. Charles Terrini
Chief Clerk and Administrator
South Carolina Public Service Commission
PO Drawer 11649
Columbia, SC 29211



Mr. Frank Fusco
Executive Director
South Carolina Budget & Control Board
PO Drawer 12444
Columbia, SC 29211

Gentlemen:

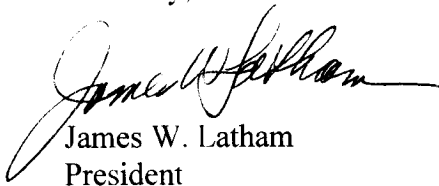
This letter provides formal notification of Chem-Nuclear Systems' intention to terminate the Chem-Nuclear Systems Employee Retention Compensation Plan effective June 30, 2008. We have previously verbally notified the Budget and Control Board Staff of our intention in this regard. Our application for identification of allowable costs and direct testimony submitted to the Public Service Commission also made reference to our intention to pay out amounts due under the Retention Compensation Plan.

The Plan has been in effect since 2003 for the purpose of retaining qualified, experienced individuals and key managers for the operation of the disposal site in the face of declining annual disposal volumes. The plan encourages participants to contribute toward achievement of Chem-Nuclear Systems and State of South Carolina performance goals and continued safe operation of the disposal site. Each year 45% of the amount earned by each eligible employee was held by the company for the employee to be paid at a later date.

It is our intention to pay the amounts held for each eligible employee in June 2008. We also intend to pay out the amounts earned for the current Fiscal Year (FY 2007-2008) at the same time.

By copy of this letter we are informing each eligible employee of our intention to terminate the Chem-Nuclear Systems Employee Retention Compensation Plan.

Sincerely,


James W. Latham
President

c: John Clark (SCEO)
Bill Newberry (SCEO)
J. Jashinsky (ORS)
Eligible Employees